

ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Corbett Analyst: Jane Tolman Bill Number: AB 234

Related Bills: See Legislative History Telephone: 845-6111 Amended Date: 03-28-2003

Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: NOL Deduction/100% Deduction For Biopharmaceutical & Biotechnology Business Activities

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended ____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED January 30, 2003, STILL APPLIES.

OTHER - See comments below.

SUMMARY

This bill would allow special net operating loss (NOL) treatment for biopharmaceutical and other biotechnology business activities.

SUMMARY OF AMENDMENTS

The amendments dated March 28, 2003, would require the election of the NOL under this section to be irrevocable. As a result, the policy consideration identified in the department's prior analysis has been resolved. The remainder of the department's analysis of the bill as introduced January 30, 2003, still applies.

POSITION

Pending.

LEGISLATIVE STAFF CONTACT

Jane Tolman
Franchise Tax Board
845-6111
Jane.Tolman@ftb.ca.gov

Brian Putler
Franchise Tax Board
845-6333
Brian.Putler@ftb.ca.gov

Board Position:

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| <input type="checkbox"/> S | <input type="checkbox"/> NA | <input type="checkbox"/> NP |
| <input type="checkbox"/> SA | <input type="checkbox"/> O | <input type="checkbox"/> NAR |
| <input type="checkbox"/> N | <input type="checkbox"/> OUA | <input checked="" type="checkbox"/> PENDING |

Department Director
Brian Putler

Date
04/03/03

